

MEMORANDUM FOR MAJOR SUBORDINATE COMMANDS

SUBJECT: Development and Approval Process for Project Cooperation Agreements (PCAs)

1. References:

- a. ER 1165-2-131, dated 15 April 1989, subject: Local Cooperation Agreements for New Start Construction Projects.
- b. ER 11-2-159, dated 31 March 1992, subject: Annual Program and Budget Request for Civil Works Activities, U.S. Army Corps of Engineers, Fiscal year 1994.
- c. CECW-E/CECW-P/CECW-L, Memorandum dated 5 Nov 1991, subject: Planning, Engineering and Design Process, General Design Memoranda, and Reevaluation Reports.

2. After six years of implementation of P.L. 99-662, there remains some misunderstanding about how PCAs are integrated into the overall process for developing a Civil Works project. This misunderstanding leads to unrealistic schedules for project implementation, premature commitments to local sponsor, and a general breakdown of the project execution process.

3. There have been a number of instances where unresolved project issues have surfaced after submission of a PCA package to HQUSACE. The PCA review process should not be the forum for resolution of technical, policy, or outstanding legal issues associated with a project. Those issues should be surfaced and resolved well in advance of submission of the PCA; specifically, in the HQUSACE review and approval of the project document supporting the PCA or through the PRB process.

4. Paragraph 5. of Reference 1.c. identifies the project document that serves as the basis for the PCA or supplemental agreement. The document will be submitted for HQUSACE and OASA(CW) review and must be approved prior to submittal of the PCA package. To ensure successful PCA processing and approval, special attention should be given to the content of the project document. Ideally, the project document that supports the PCA would be the Feasibility Report with Engineering Appendix. However, for projects in transition and for Congressionally added projects, the document could be a GDM, DM, FDM, GRR or LRR. In cases where the LRR is the document supporting the PCA, it must append the technical document that it is updating. To support the PCA, the document, with submittal correspondence, must be a stand alone package that at a minimum:

- a. Fully describes the scope and economic justification of the project;

- b. Describes any changes, and provides the rationale for such changes, from the latest approved report;
 - c. Addresses any unusual technical or policy aspects of the project, such as credits, betterments, or the inclusion of locally preferred plan;
 - d. Fully describes the Federal and non-Federal allocation of costs among separable elements, project purposes, and betterments;
 - e. Certifies compliance with NEPA and any other applicable Federal statutes;
 - f. Provides an M-CACES cost estimate; and,
 - g. Reaffirms the sponsor's financial willingness and capability to participate in project cost sharing and to assume OMRR&R responsibilities.
5. While reference 1.a. is being updated, the following summarizes several of the key points in successful PCA processing:
- a. The draft PCA cannot be developed until the scope of the project or element is known and the costs are identified. The scope is described in the authorized Feasibility Report with Engineering Appendix, or in a specific project document supporting the PCA.
 - b. The project cannot be included in the President's budget for the BY unless the project document supporting the PCA has been approved by HQUSACE and ASA(CW) (See reference 1.b.).
 - c. Commitments cannot be made to the local sponsor and detailed negotiations with the local sponsor on the PCA cannot begin until the project document describing the scope of the project (see paragraph 4) has been approved at the Washington level and the project either is included in the President's budget or, in the case of Congressional adds, the special instructions have been issued by CECW-B through the Options Drill .
 - d. For budgeted new start construction projects, the negotiated PCA cannot be submitted formally to HQUSACE until the President's budget has been released.
 - e. ASA(CW) will not accept a PCA for review and approval until the project has been authorized and construction funds have been appropriated.
 - f. No commitments regarding acquisition of real estate or performance of relocations can be provided to the local sponsor until the PCA has been executed.
 - g. No construction contract can be advertised until the LERRDs (both real estate and relocations) have been furnished for that contract. In addition, the first

contract cannot be advertised until the local sponsor has made available its share of funds for the first fiscal year of construction.

6. In summary, PCA submission correspondence must adhere strictly to paragraph 5 of Reference 1.e. To ensure efficient PCA processing, the project document which supports the PCA must be submitted at least 90 days in advance of the District's PCA execution milestone to allow for appropriate review and approval.

7. While specific PCA approval procedures may change as a result of the reorganization of USACE and the streamlining of Washington level procedures, the general principles outlined in this memorandum will continue to apply. The bottom line is that unresolved issues must not languish until the PCA is submitted to HQUSACE. A Technical Review Conference or Issue Resolution Conference is the proper forum for issue resolution. The monthly update of the Project Executive Summaries and the bi-monthly Division Commander's Executive Summaries submitted for the HQUSACE PRB should be used to report the status of unresolved issues and the progress being made to resolve them before submission of the PCA package.

/s/

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